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REGENTS URGE COLLEGES TO REDUCE STUDENT ENERGY SURCHARGES

BATON ROUGE – The Board of Regents’ Finance Committee has recommended a move to reduce the new energy surcharge included in student tuition this fall as part of an effort to help campuses cover rising utility costs.

Committee members decided unanimously to make this recommendation to the full board tomorrow after hearing a staff report revealing that new campus energy conservation efforts and lower energy costs coupled with energy fees collected in the fall semester justify a substantial reduction in the surcharge statewide.

“We believe and fully expect that statewide the surcharge can be reduced by 50 percent overall,” said Commissioner of Higher Education Joseph Savoie. “At the end of every semester we will do this same analysis and make additional recommendations. If we can eliminate it completely, we will do that. Our recommendation to the four management systems will be for them to take appropriate action on an individual campus basis to relieve this burden on our students.”

The surcharge guidelines required that the fee be set based on actual previous year increases due solely to rising utility costs. In addition, the revenue generated from the surcharge has been placed in restricted accounts for use only in addressing these utility increases.

Projected energy costs compiled by the Regents’ staff indicated that campuses will have to pay an additional \$7 million this year for natural gas and electricity. To date, the surcharge has brought in \$4.9 million to cover those costs, leaving a balance of \$2.1 million to be collected to cover the spring semester.

Marvin Roubique, the Regents' deputy commissioner for finance, reminded committee members that some campuses have already reduced student energy fees for the upcoming spring semester. Louisiana Tech has completely suspended collection for the winter quarter while LSU-Shreveport has decided to remove the fee for the spring semester. LSU in Baton Rouge reduced the surcharge from \$3 to \$1 per student credit hour. Southern University in Baton Rouge also reduced its fee from \$4 to \$2 per credit hour. Some colleges and universities did not adopt the fee increase and others did not charge the full amount authorized to collect.

University of Louisiana system president Sally Clausen sent a message to the Finance Committee, stating that she will contact the other seven universities in the University of Louisiana System – Grambling State University, McNeese State University, Nicholls State University, Northwestern State University, Southeastern Louisiana University, the University of Louisiana-Lafayette and the University of Louisiana-Monroe – with the idea of reducing the fee 55 percent to 60 percent on average for the system. La Tech is also a member of the University of Louisiana System.

The effort to offset the rising cost of utilities on campus began last February when a Board of Regents' survey revealed that utility costs on campus had risen 58.6 percent, or \$29.3 million, over the previous year. Natural gas costs rose 111.6 percent while campus consumption of gas increased by only 7.6 percent. Electricity rates jumped 45.3 percent yet campus usage was only 11.6 percent higher than the year before.

On June 28, the Board of Regents passed a resolution requiring all state colleges and universities to participate in a campus energy audit seminar conducted in August by the Entergy Corporation, to conduct comprehensive campus energy audits and to adopt "aggressive" energy cost-savings measures based on those audits. The resolution also required that these steps be taken before campus budgets were approved this fall.

Later that same day, the Council of Student Body Presidents' Executive Committee signed a resolution, endorsing a possible student utility surcharge with the understanding that it will be capped at 75 percent of 1999-2000 energy cost increases; exclude auxiliary cost increases for bookstores, cafeteria and other non-educational areas; be audited annually and reported semi-

annually to student body presidents and annually to management boards; and that the surcharge expire after three years. Student leaders also requested that any effort to pass on utility increases to

students be shared by institutions. The Executive Committee's support for this measure also was based upon campuses adopting energy-conservation plans, resulting from objective energy audits.

On July 6, the Board of Regents' Executive Committee adopted a resolution, containing the provisions outlined by the students with added stipulations that required management boards to notify students in advance of the surcharges and to decrease the surcharge if energy costs declined.

Energy audits were conducted and each campus adopted energy conservation plans. The four management boards also adopted the student energy surcharge based on the needs of each campus.

"This action was unprecedented," Savoie said at today's finance committee meeting. "The Board of Regents was called upon to coordinate a statewide response to a mounting campus financial problem. We coordinated responsibly with the four systems and worked with student leaders to seek a comprehensive solution. I fully expect campus conservation efforts and other long-term initiatives to bring about a continued decline in unexpected increases in utility costs. I am pleased that the campuses have worked closely with us in monitoring these charges which will lead to real reductions in cost for students."

The Board of Regents executive committee also suggested several long-term options including the bulk purchase of energy, co-generation or self-generation of electricity, strengthening of construction standards and cooperative agreements with energy management companies. Campuses are now exploring these possibilities as well.